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SUBJECT: TIGHT RACE FOR GOLKAR'S PRESIDENTIAL NOMINATION AS
KALLA REPORTEDLY QUILTS TO BECOME YUDHOYONO'S RUNNING MATE

Classified By: Political Officer David R. Greenberg, reason 1.4 (d).

SUMMARY

1. (C) Golkar party Chairman Akbar Tandjung and retired General Wiranto vie in a tight race for Golkar's presidential nomination. Although Akbar enjoys some institutional advantages, we cannot predict the outcome of the April 20 Golkar convention, as hundreds of party chapters will determine the winner in a semi-secret ballot in which, apparently, bribery will play a substantial role. Whoever wins, the convention will have a major and possibly decisive impact on the presidential race. Golkar sources and advisors to Democratic Party presidential nominee Susilo Bambang Yudhoyono have told us that Coordinating Minister for People's Welfare Jusuf Kalla has decided to withdraw from the convention and become Yudhoyono's running mate. A Yudhoyono-Kalla ticket would have two capable leaders with clean reputations, but absent further partners it lacks a political machine with grassroots level presence. End Summary.

THE GOLKAR CONVENTION

2. (U) Golkar will hold its presidential convention on April 20 in Jakarta. Most Golkar officials describe it as determining the party's presidential nominee, although Golkar Chairman Akbar Tandjung has refused to guarantee that he will seek the presidency if he wins the convention. The convention begins with brief presentations by participants, after which the party votes via a semi-secret balloting process. (The Secretaries-General of provincial and city/regency level chapters witness the voting of the chapter chairpersons.) Convention rules state that whoever wins a plurality wins the convention, but we understand Golkar leaders might institute a runoff if no one wins a majority in a first round vote.

3. (U) Lower level party branches hold the majority of the convention voting power. There are 545 votes in play (contrary to press reports which cite a variety of other figures):

- The party Central Board has an 18-vote block (which Akbar Tandjung apparently has locked up);
- 10 separate organizations associated with Golkar have one vote apiece;
- 32 province-level party chapters have three-vote blocks; and
- 421 city/regency level party chapters have one vote apiece.

A TOUGH FIGHT

4. (C) Although six candidates currently participate in the convention process -- Akbar Tandjung, Wiranto, Surya Paloh, Aburizal Bakrie, Prabowo Subianto, and Jusuf Kalla -- all of our contacts agree that the race comes down to Akbar and

Wiranto and remains too close to call. Members of both camps told us recently that they had locked up roughly 200 convention votes and expected to prevail. Akbar enjoys some institutional advantages: he has a strong network among chapter heads; a long history of involvement in Golkar politics; and can reward supporters with positions at the party's upcoming (October) Congress (just as he could place supporters on the party's list of legislative candidates). Although the party appeared to fall short of its target in the April 5 legislative elections, Akbar's supporters can claim credit for the party's increase in the popular vote in absolute terms; its new plurality in the House of Representatives, including a gain of seats in absolute terms; and its number-one finish in more provinces than in 1999.

THE MARKET VALUE OF CONVENTION VOTES

15. (C) Our contacts (and instincts) tell us bribery will play a significant role in shaping the convention outcome. Nasir Tamara, a Wiranto campaign advisor, told us his own camp entices each city/regency chapter head with 25 million Rupiah (almost 3,000 USD) for its vote, while provincial chapter heads merited twice that sum. A separate Wiranto associate alleged Akbar Tandjung offered "a huge amount of money" to chapter heads. Meanwhile, Golkar Vice Chairman Aulia Rachman told us that Akbar provided chapter heads a few thousand dollars -- "to show respect" -- but that these sums paled in comparison to those doled out by media magnate Surya Paloh: almost 6,000 USD to the lower-level chapter heads and 1 billion Rupiah (over 100,000 USD) for provincial chapter votes. (Comment: The latter figure strains credibility, given Surya Paloh's poor prospects for winning, but we do not doubt that Aulia passed this rumor along in good faith. End comment.) Aulia claimed the strength of Akbar's network would prevail, since Akbar encouraged chapter heads to accept opponents' offers but vote for him anyway. According to a Singaporean diplomat, Wiranto's camp prepared for that possibility by offering half the payments up-front, with the rest only after Wiranto's convention victory.

KALLA TO WITHDRAW, JOIN YUDHOYONO

16. (C) On April 16, Golkar Vice Chairman Fahmi Idris told us he had spoken directly with Coordinating Minister for People's Welfare Jusuf Kalla, who confirmed he would withdraw from the convention and become retired General Yudhoyono's running mate. Fahmi said Kalla -- who has never held a high leadership position in Golkar -- would not bring extensive party machinery to the ticket, but brought enough "Golkar identity" that he would help Yudhoyono to become an alternative choice in this election for traditional Golkar voters. Fahmi, who has publicly aired his distaste for Akbar, told us he would support the Yudhoyono-Kalla ticket.

17. (C) Two senior figures close to Yudhoyono also have told us that this ticket seemed certain. In addition, politically active retired General Luhut Panjaitan told us April 16 he had confirmed that Kalla would join Yudhoyono, withdraw from the Golkar convention, and resign from the cabinet. Luhut hoped that Akbar, if triumphant at the convention, would decide to throw Golkar's support behind the Yudhoyono-Kalla ticket.

COMMENT

18. (C) Yudhoyono advisors noted Kalla appeals to them partly because of his prestige in East Indonesia, where Yudhoyono's Democratic Party has little strength. He also strikes us as a relatively ethical, intelligent, and competent person who can work well with Yudhoyono. This combination -- the subject of great speculation in the media recently -- appears to enjoy strong support in the Indonesian business community, partly because of Kalla's record as a successful businessman. Neither, however, controls a strong political machine with grassroots penetration; this could prove problematic.

¶9. (C) Kalla's withdrawal should boost Akbar's chances at the convention; our contacts estimate more of his supporters lean toward Akbar vice Wiranto. If Akbar does win, we would not rule out his aligning with Yudhoyono, if offered substantial incentives (e.g., cabinet positions). This alignment, for the first round election, would appear more palatable to Golkar leaders if Yudhoyono has assembled a coalition that rivals Golkar in size. With full Golkar backing, Yudhoyono would prove an extremely strong contender.

¶10. (C) On the other hand, however, Akbar could decide to run for president. While he might have difficulty consolidating support in Golkar, he could run a credible campaign, particularly with a Javanese running mate with a reasonably clean reputation and a degree of grassroots support. Akbar could seek the presidency with the understanding that he retains the fallback position of supporting Yudhoyono's ticket in the runoff if Yudhoyono outperforms him in the first round.

¶11. (C) Should Wiranto prevail at the convention, we would expect him to move quickly to solidify his control over the Golkar apparatus. He has cultivated extensive ties with other parties and might pull the Prosperous Justice Party (PKS) and Abdurrachman Wahid's National Awakening Party into a coalition (septels report on affinity for Wiranto in PKS). Together, those three parties appear to have won around 40 percent of the vote on April 5. This action could lead other Islamic parties to jump on the bandwagon, generating strong momentum for a powerful combination of cooperative Islamic parties and Golkar's extensive machinery under the leadership of a charismatic Javanese retired General.

BOYCE